

Express Mail" mailing label number EL500980111US

Date of Deposit: November 15, 2000

Our Case No. 8894/134

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
APPLICATION FOR UNITED STATES LETTERS PATENT

INVENTORS:

John Barry

TITLE:

**GLOBAL VENDOR FINANCING
SYSTEM AND METHOD**

ATTORNEY:

Matthew J. Kelly
BRINKS HOFER GILSON & LIONE
P.O. BOX 10395
CHICAGO, ILLINOIS 60610
(312) 321-4200

00577-05577-050

Global Vendor Financing System And Method

5

BACKGROUND OF THE INVENTION

1. Technical Field

10

The present invention relates generally to a system and method of vendor financing; and more particularly, it relates to a system and method for providing automated global vendor financing.

2. Related Art

15

A customer may wish to finance an asset, such as a computer, instead of purchasing the asset from the vendor. Some vendors lease assets to such customers. Other vendors provide a vendor financing option to such customers. Traditionally, a vendor financing company receives a credit request from the vendor and processes it manually. Manually processing vendor financing applications is time consuming and expensive. Some vendor financing companies finance assets in only a limited field, such as computer systems, farm equipment, or real estate. Traditional vendor financing companies provide vendor financing in only one country.

20

25

30

SUMMARY

Various aspects of the invention can be found in a method or system of global vendor financing that automatically processes vendor financing applications. A vendor financing application is received over a computer network and indicates an asset(s) to be
5 financed and an applicant desiring the asset(s). Credit information is gathered about the applicant and the application is scored. If the customer qualifies for the vendor financing, a price is determined. The credit information may be gathered from one of a plurality of credit information sources in one or more countries. The method or system of global vendor financing may handle vendor financing applications in multiple
10 languages and multiple currencies. Optionally, the system or method may include push services and workflow management.

Other systems, methods, features and advantages of the invention will be or will become apparent to one with skill in the art upon examination of the following figures and detailed description. It is intended that all such additional systems, methods, features
15 and advantages be included within this description, be within the scope of the invention, and be protected by the accompanying claims.

BRIEF DESCRIPTION OF THE FIGURES

20 The components in the figures are not necessarily to scale, emphasis instead being placed upon illustrating the principles of the invention. Moreover, in the figures, like reference numerals designate corresponding parts throughout the different views.

Figure 1 is a block diagram illustrating an embodiment of a global vendor
25 financing system;

Figure 2 is a block diagram illustrating an embodiment of a vendor financing server;

Figure 3 is a flow diagram illustrating an embodiment of a process for providing vendor financing forms to a branded vendor server; and

5 Figure 4 is a flow diagram illustrating an embodiment of a process of global vendor financing.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS

A customer (applicant) who desires to finance a product offered by a vendor may
10 automatically receive vendor financing via a computer system regardless of which country or countries the applicant is from or the asset to be financed is from. With this vendor financing system and method, the results of the vendor financing application are provided in minutes instead of days. Automated vendor financing may be provided more efficiently and more cost effectively, especially for less expensive assets.

15 Figure 1 is a block diagram illustrating an embodiment of a global vendor financing system 100. A customer may use the vendor financing system 100 to acquire vendor financing over a computer network 110. The customer at a customer computer 102 accesses a vendor server (VS) 106 via a computer network 110. The VS 106 may require the customer to log-on to the VS 106 before processing a credit request (credit
20 application). The customer then completes a vendor financing application. The vendor server 106 or the customer computer transmits the complete vendor financing application to a vendor financing server 112 for processing. The vendor financing server 112 determines a credit level for the customer's credit request. To determine the credit level, the vendor financing server 112 may contact one or more credit bureaus 118 to acquire
25 information about the customer. The vendor financing server 112 then determines a price

for the vendor financing. One or more documents are then presented to the customer, who may then accept the terms of the vendor financing. The customer may accept the vendor financing by submitting an electronic signature to the vendor financing server. Alternatively, customer may accept the vendor financing by printing the document, signing the document, then sending the document to the vendor. Once the customer accepts the vendor financing, the closing and reporting occur.

The documents may be generated in standard formats, such as PDF, Microsoft Word, or WordPerfect. Also, the global vendor financing system 100 may also support Electronic Data Interchange (EDI) for communication with system that support EDI, for example EDI invoices.

The computer network 104 may be any computer network including an intranet, a virtual private network, the Internet, or another network. A customer may log-on to the vendor server's 106 web page to access the vendor financing application. The vendor server 106 may access a vendor financing server (VFS) 112 to request an application form. The VFS 112 or the VS 106 may select the appropriate application form from a group of application forms. The application forms may include forms such as: a form for capital equipment under \$5,000, a form for capital equipment between \$5,000 and \$100,000, a form for real estate under \$100,000, and a form for real estate over \$100,000. The VS 106 may have a web site that is a branded, a co-branded, or an affiliated site. A branded web site, also called a private label web site, presents the application form to the customer such that there is no indication that the application form came from the vendor financing server 112. A co-branded web site will indicate both the vendor and the vendor financing company's names. An affiliated site will have a link to the vendor financing companies' site. In one embodiment, the customer computer 102, the vendor server 108,

the vendor financing server 112, and the credit bureau server 116 communicate using a secure communication protocol, such as the secure socket layer (SSL) protocol. Optionally, the vendor financing system 100 may be linked to the EDGAR database of corporate information. Various fields in the vendor financing application may be completed by information from the EDGAR database. For example, after the customer enters its company name, the company address and other information may be automatically completed.

The global vendor financing system 100 may have multiple customer computers 102 and 104 located in different countries, displaying information in different languages and different currencies. The customer computer 102 or the vendor server 112 may indicate a language or currency preference by transmitting a country code and/or a language code. In one embodiment, the country code is associated with the geographic location of the customer, product, or vendor. Alternatively, a vendor ID or a customer ID may be associated with a language or currency preference. The customer computers 102 and 104 may communicate with one or more of a variety of vendor websites running on various vendor servers 106 and 108. The vendor servers 106 and 108 may be located in different countries, use different languages, and use different currencies. The vendor servers 106 and 108 may communicate with one or more of a variety of vendor financing servers 112 and 114. The vendor financing servers 112 and 114 may be located in different countries, use different languages, and use different currencies. Thus, a customer in a first country may request vendor financing via a vendor server in a second country, and the request may be processed by a vendor finance server in a third country that accesses credit information in one of three countries or even in a fourth country. The vendor financing servers 112 and 114 may communicate with a credit bureau server 106

over the computer network and another credit bureau server 118 via a direct connection, such as via a modem connect. The credit bureau servers 116 and 118 may be located in different countries, use different languages, and use different currencies. The global vendor financing system 100 may also provide vendor financing in one country where the customer computer 102, the vendor server 112, and the credit bureau 118 reside.

The vendor financing application may seek to finance multiple products or services that are located in different countries. Such a vendor financing application may require evaluating the customer's credit in those countries. Thus, a single vendor financing application may require accessing credit information from credit bureaus in different countries.

Figure 2 is a block diagram illustrating an embodiment of a vendor financing server 200 capable of being used in the global vendor financing system 100. The vendor financing server 200 includes a variety of software modules 202-224 that perform various operations. In one embodiment, the modules 202-224 are written in an industry standard mark-up language, such as the XML computer language. The vendor financing server 200 has an optional firewall module 202 to protect unauthorized access to the vendor financing server 200. An input/output node 250 connects the vendor financing server 200 to a computer network 110 (Figure 1), such as the Internet.

An application interface module 204 controls the other modules 206-224 and provides an interface for communication with customer computers, vendor computers, and credit bureau computers. In another embodiment, the modules 206-224 function without an application interface module 204.

A forms module 206 generates various forms including vendor financing application forms. A form may be tailored to the specific needs of the vendor, customer

or the type of transaction. The forms module 206 may transmit the empty form to the vendor and receive the completed form from the vendor. The forms module 206 may generate the various forms in one or more of a variety of languages and currencies.

5 A credit bureau module 208 communicates with various credit bureaus. The credit bureau module 208 may communicate with a credit bureau over the Internet or over a direct connection, for example a modem connection. The credit bureau module 208 requests credit information about a customer who has requested vendor financing. Optionally, the request is sent automatically after a vendor financing application is received. The credit bureau module 208 then receives a response from the credit bureau
10 containing the requested credit information (credit report). In another embodiment, a request for credit information is transmitted to multiple credit bureaus and multiple responses are received by the credit bureau module 208.

A scoring module 210, also called the credit scoring module, evaluates the vendor financing application and the credit information from the credit bureau and then
15 determines a credit level. In one embodiment, the credit report from the credit bureau is in a predetermined format such that the scoring module 210 may automatically process the credit report. The scoring module 210 may support multiple languages and multiple currencies. Many countries, such as North American countries and many European countries, have sufficient credit information available via computers that a large number
20 of credit applications from those countries may be processed without manual intervention. As more credit agencies in other countries begin to offer reliable on-line credit systems such credit agencies may be integrated with the vendor financing server 200. In one embodiment, the method of scoring is standardized for multiple countries. The scoring module 210 may provide automated residual matrices. In another

embodiment, different scoring is provided as a function of country, region, amount of financing, customer or any other variable used for scoring.

A pricing module 212 determines a price for the vendor financing if the amount of credit (credit level) is equal to or exceeds the desired vendor financing amount. The pricing module 212 may use a variety of data sources to determine the price, including: configurable rate cards, residual value matrices, customer history, real-time market conditions, and credit reports. The rate card parameters may be automatically derived from market rate and yield requirements. In one embodiment, the pricing module 212 supports multiple languages and multiple currencies.

Optionally, the pricing module 212 determines a variety of prices for the vendor financing. The various prices may be a function of different financing terms, different asset values, or other factors. The applicant may then select a price.

A documentation module 214 automatically generates the documents for the vendor financing. The documents required for each vendor financing transaction may vary based on the vendor, the program, the asset type, or other factors. In one embodiment, the documents are made available electronically. The electronic documents may be sent to the vendor server or to the customer computer. Alternatively, the documents may reside on the vendor financing server and be retrieved as needed. The documentation module 214 may optionally support electronic signatures for customer acceptance of the terms of the document. In another embodiment, the documents may be printed and mailed to the customer or vendor. The documentation module 214 optionally retains an archive copy of the documents. Tracking and auditing check lists may also be generated by the documentation module 214 to support tracking and auditing requirements. The tracking and auditing check lists may vary for different vendors,

programs, assets types, etc. Uniform Commercial Code (UCC) or other statutory documents (VAT, sales, and property documents) may also be generated by the documentation module 214. In one embodiment, document module 214 comprises an integrated document management module that includes document indexing, tracking, viewing, generating, and publishing. The document module 214 may allow attachment of scanned documents with a capability to view the scanned documents on-line. The documentation module 214 may also allow a customer (lessee) to track the status of an application. The customer may request the status of the application and receive an e-mail status or an on-screen status document.

A reports module 216 generates reports that may be sent electronically or printed and mailed. The reports may include origination status reports and effectiveness reports by vendor, program, and marketing group. Market groups may include such groups as enterprise information technologies, industrial products, specialized markets, channel programs, and others. An origination report may summarize origination information, for example, decision ratios, close ratios, deal turnaround statistics, current deal status distributions, credit score distributions, channel usage, and others. Other reports may also be generated, such as vendor statistical reports by region and ad hoc reporting.

A configuration module 218 allows the vendor financing server 200 to be configured without reprogramming. For example, a new private label vendor's web site could be supported by using the configuration module 218 to configure the new web site without the need for or minimal amount of reprogramming the vendor financing server's 200 modules 202-224. Other features that may be configured with the configuration module 218 include rate cards, score cards, required documents, residual matrices, and others.

An optional push services module 220 provides the capability to offer services and products not specifically requested by a customer. For example, the push services module 220 supports direct marketing activities that target applicants and send information or product offers to those applicants. The push services module 220 may provide push services to an applicant with a credit level greater than the requested vendor financing. The push services process is also called "up-sell." For example, if an applicant with a credit level of \$30,000 requests vendor financing of \$25,000, the push services module target offers to that applicant additional products or services equal to or less than \$5,000. The push services module 220 may also offer products or services to former applicants or to non-applicants.

A workflow management module 222 may route work for manual processing if the vendor financing server 100 determines that the vendor financing application cannot be processed automatically. Various criteria and thresholds may be used to identify such an application, for example a financing limit, a credit level, geographic indicia, a credit history factor, a credit score limit, and other criteria.

An optional quote module 224 provides on-line quotes to customers over a computer network. The quote module 224 may be accessed by a vendor's private label web site or the customer may access the vendor financing server 200 directly. The quote module 224 may provide discriminatory pricing by using predetermined criteria such as the customer's history, program, finance amount, or other. In an embodiment, the quote module 224 provides quote refinement if desired. The quote module 224 may be bypassed by the customer if the customer desires to apply for the vendor financing without first receiving a quote.

The global vendor financing system 200 may be designed to include existing software modules, modified versions of existing software modules, and/or new software modules. For example, LeasePak, CRM, Experian-Scorex(Transact), CAS/LMS, SmartDeals, MAXCredit, LeaseHawk/CAS, E-Business Origination, PANCredit and/or
5 LMS/CMS could be integrated into an embodiment of the global vendor financing system 200.

The global vendor financing system 200 may be available 24 hours a day, 7 days a week, 365 days a year. Because the global vendor financing system 200 is automated, applications may be processed in only minutes or even in real-time, where the
10 conventional vendor financing methods require days. The global vendor financing system 200 may be configurable without rewriting the source code. Thus, a new vendor with a branded web site could be linked with the VFS 200 with minimal efforts.

Figure 3 is a flow diagram 300 illustrating an embodiment of a process for providing vendor financing forms to a branded vendor server. In 302, a vendor server
15 receives an indication that a potential customer wishes vendor financing. For example, the customer logs onto the vendor server and selects a credit application from a list of application forms. Alternatively, the vendor computer may determine the appropriate form by requiring the customer to select the characteristics of the vendor financing, such as an asset type and an estimated asset value. In another embodiment, the vendor
20 financing server selects the appropriate form.

In 304, the vendor server requests a credit application form from a vendor financing server. The request may include an identifier of the desired credit application, the vendor financing characteristic, or other appropriate indication. In 306, the vendor financing server transmits the appropriate credit application to the vendor server.

In 308, the vendor server presents the credit application to the customer and receives a completed credit application form. In 310, the vendor server transmits the completed credit application to the vendor financing server.

Figure 4 is a flow diagram 400 illustrating an embodiment of a process of global vendor financing. In 402, a vendor financier receives a completed application form from a vendor. The application may be completed by the customer, by the vendor, or a combination thereof. The vendor may complete part or all of the application if the customer telephones, faxes, or mails the information to the vendor. For example, the customer could print a blank vendor financing form and fax the completed form to the vendor. The application may seek to finance one or more assets located in one or more countries. The assets may be in the same or a different country than the customer or the vendor.

In 404, the vendor financier accesses credit information about the customer. The vendor financier may access one or more credit agencies (credit bureaus) or banks to acquire credit information. The various credit agencies may provide credit information from different countries. For example, credit bureaus in the United States include Experian, Equifax, Dun & Bradstreet, Credit Bureau of Sudbury(Canada), UK Data Ltd. (England), MRC Business Information (England - International Maritime Credit Reports), Creditreform Russia (Russia), Credinet (Singapore), WebCredit (S. Africa) and Trans Union. A credit bureau may service more than one country.

In 406, the vendor financier completes a credit scorecard with the credit information and optionally some of the information from the credit application. The score cards may be configurable and easily updateable.

In 408, the vendor financier determines a price for the credit. Various pricing models may be used to determine the price. Optionally, multiple prices may be generated with respective multiple available vendor financing terms. The price may be generated in one or more of a variety of currencies.

5 In 410, the vendor financier transmits an approval status to the vendor or directly to the consumer. The approval may contain a maximum amount that may be financed by the customer.

10 In 412, the vendor financier then generates documentation and reporting information. Such documentation and reporting information may be required for compliance with the laws of one or more countries.

15 In 414, the vendor financier optionally transmits “push services” information. If the maximum financing level for the customer exceeds the amount the customer wishes to finance, information about various other services or products may be sent to the customer. The push services (up-sell) may include only services or products that the customer is eligible for. For example, services or products at a cost less than the difference between the maximum lease amount and the desired lease amount.

20 The global vendor financing systems and methods described above are adaptable for financing a variety of products or services. While various embodiments of the invention have been described, it will be apparent to those of ordinary skill in the art that many more embodiments and implementations are possible that are within the scope of this invention. Accordingly, the invention is not to be restricted except in light of the attached claims and their equivalents.